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NEDGROUP INVESTMENTS GLOBAL PROPERTY FUND

Quarter Four, 2019

For the period ended 31 December 2019

NEDGROUP INVESTMENTS GLOBAL PROPERTY FUND

Commentary produced in conjunction with sub-investment manager, Resolution Capital

PERFORMANCE

The Nedgroup Investments Global Property Fund outperformed the FTSE EPRA/NAREIT Developed Index by 0.3% for the quarter ending 31 December 2019, as the index produced a total return of 1.7% in US dollar terms. The longer term performance remains strong, ahead of the index by 1.5% annualised since inception.

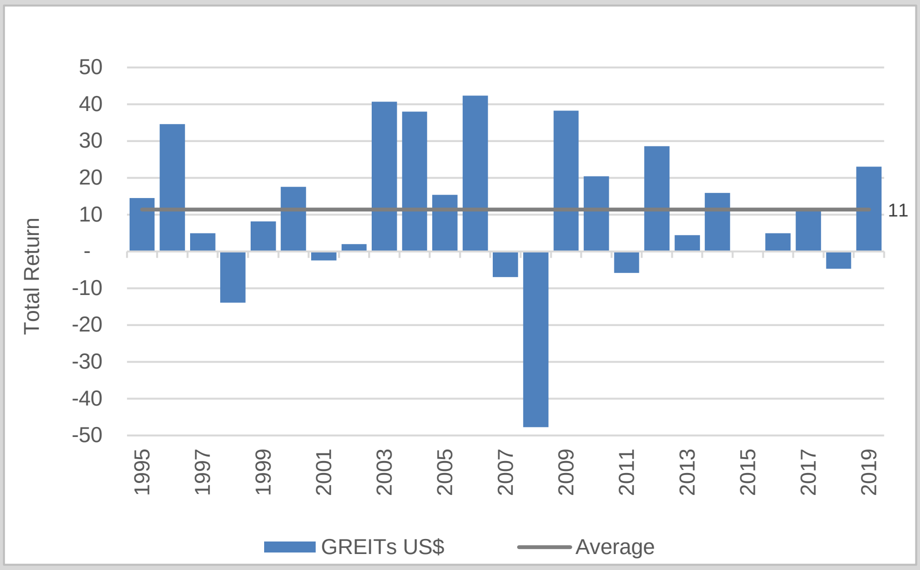
Indicator	3 months	1 year	3 years p.a.	Since Inception# p.a.
Portfolio*	2.07%	23.81%	9.19%	6.25%
Performance indicator+	1.75%	21.93%	8.29%	4.72%
Difference	0.32%	1.88%	0.90%	1.53%
Fund Size	US$181.8m			

* Net USD return for the Nedgroup Investments Global Property Fund, C class. Source: Morningstar
\# 12 August 2016
\+ FTSE EPRA/NAREIT Developed Index (in USD Net Ret)

MARKET AND PORTFOLIO COMMENTARY

The FTSE EPRA NAREIT Developed Index produced a total return of 1.8% for the quarter ending 31 December 2019 in US$ Unhedged terms, underperforming global equities (+7.5%)[1]. This caps off an outstanding 2019 calendar year, with the Global REIT sector producing a total return of 21.6% when measured in local currency terms.

A VINTAGE YEAR



Source: FTSE EPRA Developed Index, Factset, RCL.

[1] MSCI World Developed Index Local Currency Net TR

Within the listed real estate universe, the quarter saw a continuation of entrenched themes mostly surrounding the influence of information technology which is having an enduring impact on the real estate landscape:

- Retail property continues to struggle, particularly fashion-oriented retail, as consumers utilise increasingly powerful internet e-commerce platforms to purchase and receive goods.
- Logistics property is benefiting from this trend whilst office markets attuned to IT industries are enjoying relatively robust tenant demand.
- Property associated with the transmission, storage and management of data, principally telco towers and data centres, also continue to benefit from powerful structural demand drivers.

These trends were once again important drivers of Portfolio performance during the quarter and from a performance attribution perspective, the Portfolio benefited from:

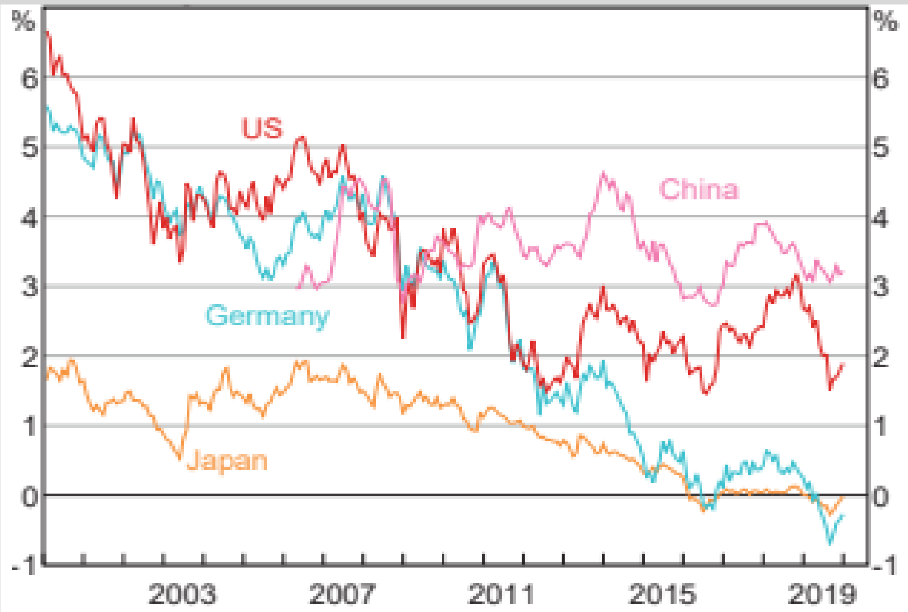
- Stock selection in the US – the major positive contributor – particularly in the form of exposure to select healthcare, office and industrial REITs;
- An over benchmark weight exposure to UK REITs which reacted positively to the Boris Johnson led Tory election win, clearing the way for Brexit and hence reducing near term uncertainty;
- An underweight exposure to Japanese REITs, which served as a source of rotation selling as investors sought "growthier" options;
- Overweight exposure to Data Centres and Cell Tower real estate platforms;
- Underweight exposure to US self-storage, the sector impacted by a loss of pricing power in response to elevated levels of supply in recent years which has becalmed earnings growth. In other markets, where self-storage supply is limited, local operators fared well.

PARTING GEOPOLITICAL CLOUDS

Geopolitical issues relating to Brexit, Hong Kong's democracy movement and Chinese-US trade tensions provided plenty of issues for investors to ruminate throughout 2019. During the December quarter, a number of these issues showed signs of constructive resolution or at least temporary respite: a tentative ceasefire on US-China trade tensions key among them.

With grounds for a more vibrant global economy, and inflation in-check, capital market investors became increasingly adventurous over the quarter: equities performed strongly, bond prices generally eased and, with their earnings deemed less sensitive to a hoped-for improving economic climate, REITs trod water.

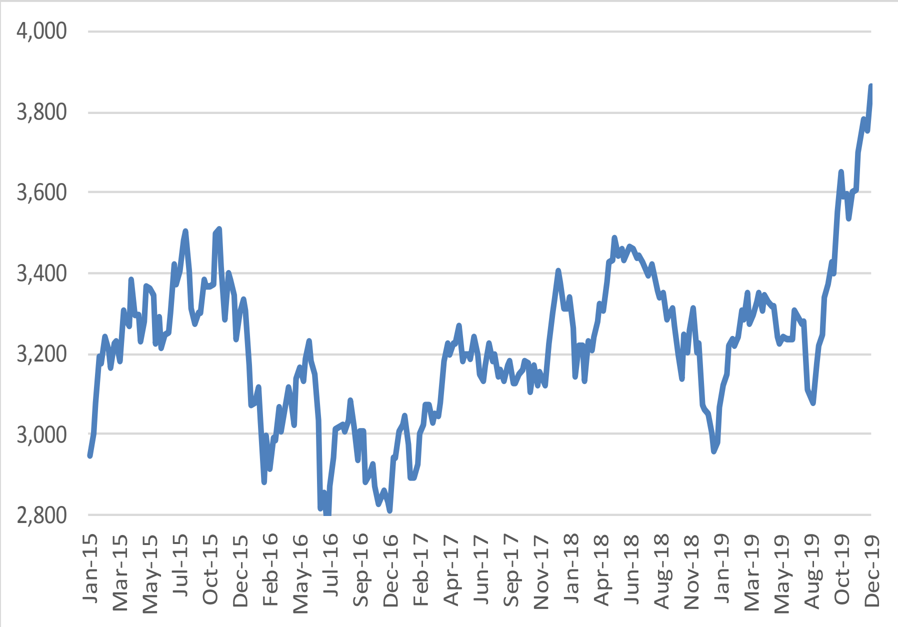
RISING BONDS YIELDS A FEATURE OF Q4 2019



Source: Bloomberg; Refinitiv

The UK was an exception, local REITs surging on the Boris Johnson led Tory majority win, which was seen as facilitating a swift Brexit. What Brexit truly means longer term remains unclear, but the market seems to be anticipating that World Trade Organisation (WTO) rules will ensure limited fall-out for the UK economy broadly and London will remain as a commerce capital, which should prove positive for real estate leasing and investment activity.

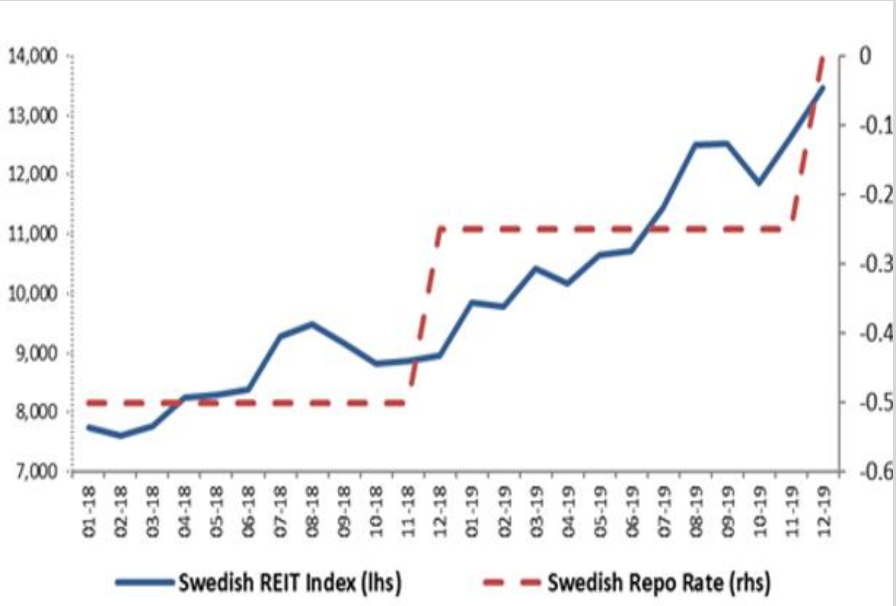
UK REITS BREXIT: WHAT WERE WE SO WORRIED ABOUT?



Source: FTSE EPRA NAREIT UK, Factset, RCL.

Looking across to Europe, it was interesting to note that Swedish real estate stocks behaved in an orderly fashion following the decision in December by the Swedish Central Bank, the Riksbank, to cease its almost 5-year negative interest rate policy setting.

SWEDISH PROPERTY INDEX: THE END OF NEGATIVE INTEREST RATES



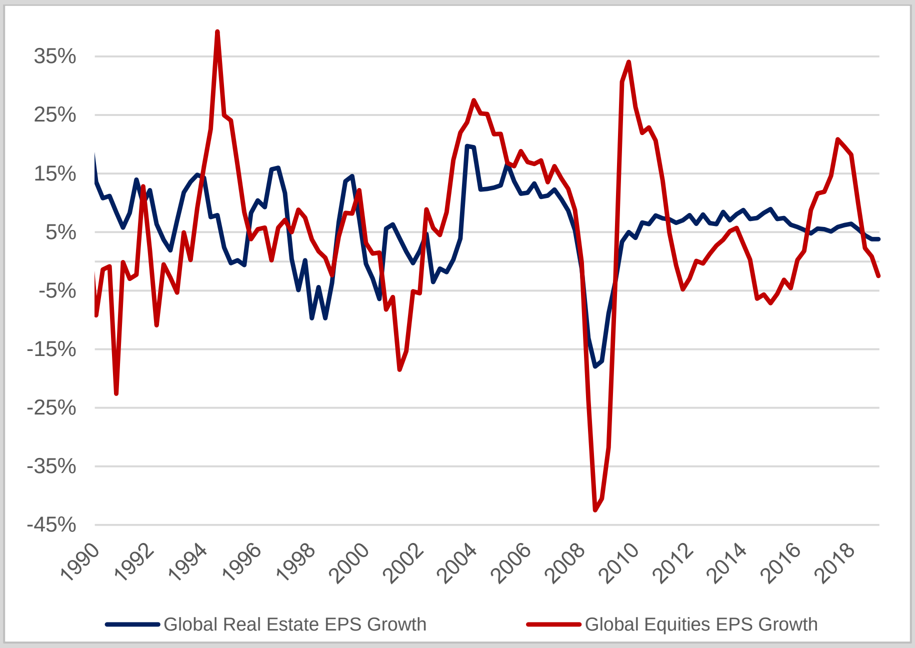
Source: FTSE EPRA NAREIT, Bloomberg

More broadly, commercial real estate in developed markets continues to enjoy steady annual nominal net rent growth of circa 2-3%. Crucially positive in real terms, this rent growth is underpinned by low/moderate property portfolio vacancy rates and limited evidence of excessive new construction activity. High land prices, skilled labour shortages and more disciplined finance availability are common themes for this moderate supply environment.

It is notable that rising property expenses are taking the shine off net operating income growth. We have observed some upward pressure on land taxes as governments seek to exploit rising land prices. Furthermore, wage costs associated with property maintenance and management are also rising thanks to tighter labour markets. This issue is not becoming overwhelming, still broadly running at or below top line revenue growth, but it is worth monitoring.

For REITs, earnings per share growth is being enhanced by favourable debt refinance conditions, i.e., lower interest rates. Combined with some enhancement through measured expansion via acquisitions and development, globally REITs are currently generating bottom line earnings growth for equity investors of circa 4-5%.

GLOBAL REIT VS GLOBAL EQUITIES EPS GROWTH



Source: UBS Research, RCL

M&A – MAKING FRIENDS

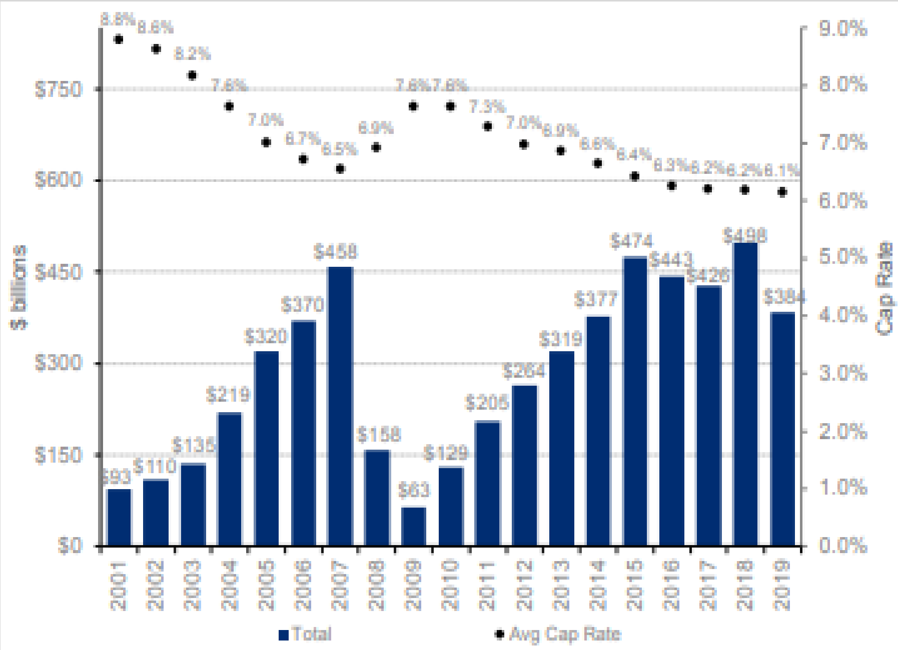
Corporate transaction activity during the quarter was marked by some sizeable mergers between listed REITs. As mentioned earlier, in one of the larger transactions, ProLogis gained board support of its target, rival industrial property owner Liberty Property Trust (LPT). The all-scrip bid valuing LPT at US$12.6 billion including assumed debt.

Meanwhile, Blackstone reconfirmed its positive view on industrial property with a bid for listed UK property company Hansteen Holdings PLC (HSTN), at a 10% premium to its NAV and valuing its largely warehouse property portfolio at over £650m. Digital Realty (DLR) confirmed a US$8.4bn takeover for European data center platform Interxion (INXN) in a move which underscores the value of network dense data centers. Later in the quarter, UDR, a US apartment REIT, made known its interest in acquiring the residential portfolio of diversified US REIT, Mack Cali (CLI), which is concentrated largely in New Jersey.

Many of the ingredients for elevated levels of Merger and Acquisition activity remain evident. As well as more public to public mergers, we believe the prospect of deals orchestrated by private equity platforms continues, particularly given the elevated levels of unutilised funds at their disposal – up to $335bn according to Preqin (Sep 2019).

That said, as is the case in the direct market, existing real estate owners seem somewhat reluctant to liquidate their investments: real estate fundamentals remain sound and, considering the low interest rate environment, there seems few obvious compelling investment alternatives.

ANNUAL TRANSACTION VOLUME AND CAP RATES



Source: Citi Research, SNL and Factset

CAPITAL MANAGEMENT "2020" LONG-TERM VISION

Broadly and pleasingly, the GREIT industry is not unduly increasing financial leverage i.e. utilising more debt to fund their investments. Loan-to-Value (LTV) is typically less than 40% and in many markets, it averages closer to 30%. A decade on from the GFC and PIIGS crises, maintaining robust balance sheets has become ingrained in REIT managements' thinking, providing ammunition for various capital management levers to be pulled including acquisitions, development and share buy- backs.

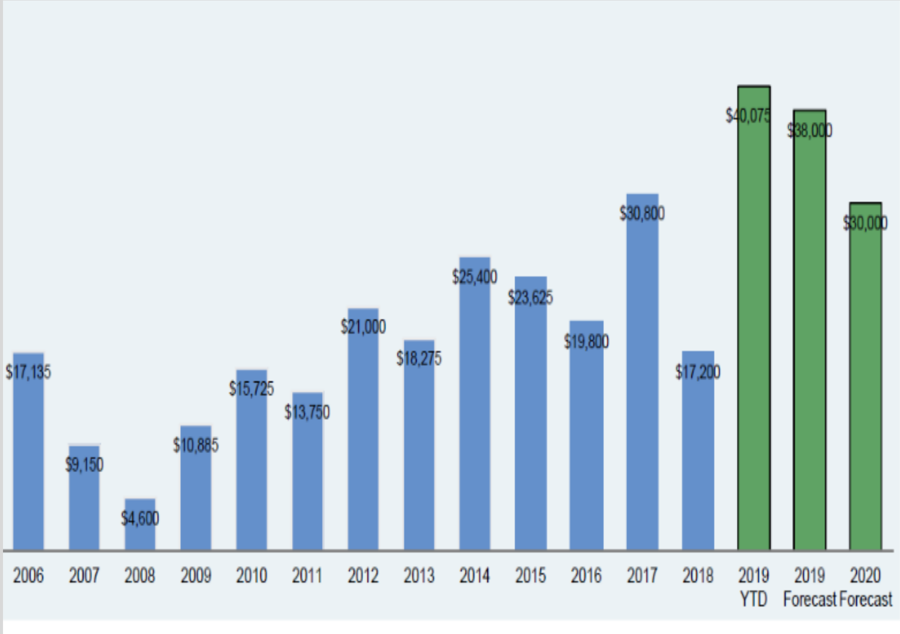
There have been a number of trends in capital management including; greater capital recycling, e.g. selling mature or "dry" real estate to fund more attractive acquisitions and development; as well as increased use of unsecured debt thereby providing greater flexibility in managing/trading properties.

Perhaps the most significant trend, from an earnings perspective at least, has been the trend to longer dated debt at lower interest rates than that of maturing facilities. Extending debt duration provides greater confidence for equity investors, that it also serves to enhance return on equity is a bonus for shareholders. REITs have taken advantage of lower rates and a flatter curve to reduce coupons and extend maturities. This lower risk profile debt enhances equity value by increasing cash flow and extending out refinancing risks.

Traditionally REITs have borrowed debt for up to 10 years, going beyond that was deemed too expensive if available at all. During the quarter, a number of REITs issued 10 to 30-year debt at interest rates of less than 4% in the US, and considerably lower in some markets such as Europe and Japan.

Debt costs are typically the single largest expense for REITs. Hence, the ability to push out debt refinance maturity risk further and lock in an important cost item provides far greater certainty and therefore confidence for investors.

REIT USD UNSECURED HIGH GRADE BOND ISSUANCE



Source: JPMorgan and Company Filings

ESG: AMBITIOUS NET ZERO TARGET

Many listed global REITs have net zero carbon emission targets. Nevertheless, we would like to highlight UK diversified REIT Landsec's (LAND) recent initiative because it is more ambitious than what we have seen from others. Landsec is not a portfolio holding. Landsec wants to be net zero by 2030 (not usual) and reduce absolute carbon emissions by 70% from a 2014 baseline in the coming decade.

More interestingly, not only will the existing portfolio be net zero, the construction of new buildings will also be included. This means that the buildings will be designed for optimum energy efficiency in operation and to reduce embodied carbon in construction through design and procurement. They will rationalise buildings designs to make them easier to build and minimise resource use and support the retention of structures where possible to deliver great quality spaces at a fraction of the carbon cost. In procurement and specification, they will analyse the carbon footprint of all raw materials and avoid materials with a high carbon intensity, such as traditional steel and concrete, instead using materials with a high recycled content or with an inherently low carbon profile, such as engineered timber.

The remaining embodied emissions will be offset using carbon offsets approved by the UN. The cost of offsetting is remarkably low. Landsec estimates that offsetting costs will increase the development costs by less than 0.25%! Offsetting (for example planting trees) is controversial and it is often seen as a "get out of jail free" card. Whilst there's some truth in that we do believe in the coming years "real" offsetting will become available. For example, to create negative net emissions trees can be planted, then harvested to generate energy from burning the biomass and then capturing and storing the resulting carbon.

CONCLUSION

Whilst bond yields softened at the end of 2019, they remain historically low, with limited evidence of inflation pressure to see any material threat to the “lower for longer” thesis. That said, the impacts of Quantitative Easing (QE) policies make for a more challenging investment dynamic.

We continue to focus on those factors which are idiosyncratic to REITs. Real estate supply and demand dynamics are largely in balance, and consistent with our mantra, the Portfolio remains tilted to those markets where the landlord is able to demonstrate some degree of pricing power. REITs have taken advantage of strong access to the capital markets and have put themselves in flexible financial shape to take advantage of opportunities in various forms.

In a relative sense, with few exceptions, REITs appear to be trading broadly in-line with or at slight discount to the value of the underlying real estate, which one could argue is undemanding given the value of their management platforms, liquidity and access to capital.

Whilst REIT earnings multiples remain elevated in absolute terms, given the quality of the portfolios and financial strength, we continue to believe that the sector is an outstanding surrogate for direct real estate, is positioned to produce a reliable income stream and provides competitive risk adjusted returns as part of a diversified portfolio.

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UK investors should read the Appendix for UK investors in conjunction with the Fund's Prospectus which are available from the Manager www.nedgroupinvestments.com

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The State of the origin of the Fund is Ireland. In Switzerland, the Representative is ACOLIN Fund Services AG, Leutschenbachstrasse 50, CH-8050 Zürich, whilst the Paying agent is Banque Heritage SA, route de Chêne 61, 1211 Geneva 6, Switzerland. The prospectus, the Key Investor Information Documents, the fund regulation or the articles of association as well as the annual and semi-annual reports may be obtained free of charge from the representative. In respect of the units distributed in or from Switzerland, the place of performance and jurisdiction is at the registered office of the representative. Past performance is no indication of current or future performance. The performance data do not take account of the commissions and costs incurred on the issue and redemption of units.

The Prospectus of the Fund, the Supplement of its Sub-Funds and the KIIDS are available from the Investment Manager and the Distributor or from its website www.nedgroupinvestments.com

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NEDGROUP INVESTMENTS
GLOBAL PROPERTY FUND

TALKING REITs

Quarter Four, 2019

NEDGROUP INVESTMENTS GLOBAL PROPERTY FUND - TALKING REITS

Global real estate specialist portfolio manager Resolution Capital regularly highlight important discussion topics and sectors of interest or concern within the Global REIT universe. The specialist real estate research carried out by the investment management team has uncovered the following areas over the most recent period, which we believe are important to consider.

HONG KONG – POWER TO THE PEOPLE

Hong Kong real estate stocks experienced another turbulent period with the unrest associated with pro-democracy protests significantly impacting retail trade with sales in some categories down 40%. Already under pressure from moderating Chinese tourist spending in recent years, as the chart below highlights, retail rents have fallen across a range of formats. Hong Kong leases are typically only 3 years in duration, which allows for more rapid rent resets and store closings than in many other markets where 5+ year leases are the norm.

HK PRIME RETAIL RENTS

Source: JLL, BAML Global Research

Despite the Hong Kong economy entering a technical recession during the quarter, listed property stock prices began a tentative recovery as signs emerged of an easing in the pro-democracy protests and a ceasefire in the US-China trade war.

With strong balance sheets countering fears of calls for fresh capital, the share prices of some of the hardest-hit Hong Kong real estate vehicles such as discretionary retail-focused landlord Wharf REIC (1997) rebounded with a total return of 11% for the quarter in local currency terms.

Whilst recognising Hong Kong is an important long term capital conduit for China, perhaps naively, we remained largely on the sidelines for what remains very expensive real estate on some measures (rents and values per square metre remain some of the highest in the world) in a still fractious market. The housing market continues to be pressured, with volumes

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supported by price declines. We are also concerned that the office market is poised for further downside as peak rents fall amid declining tenant demand in this period of heightened uncertainties.

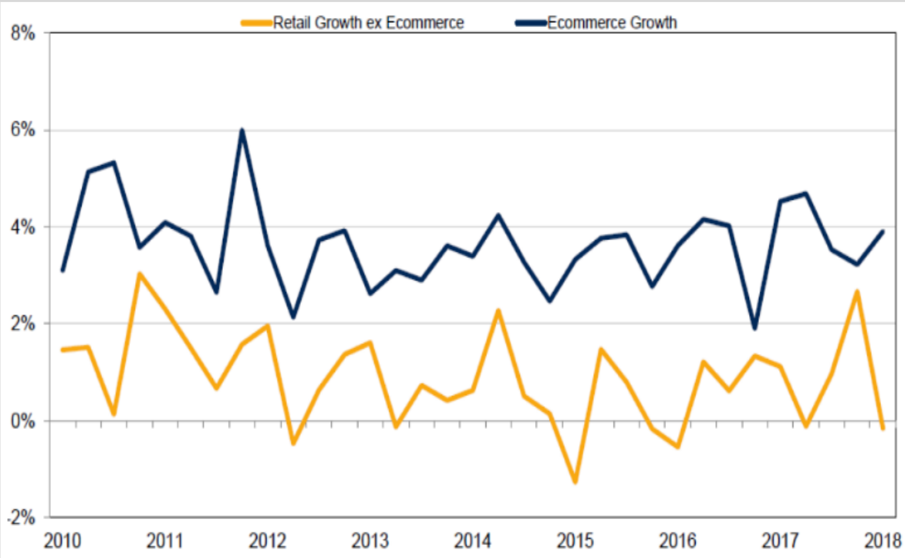
RETAIL – PLENTY OF SPACE TO PARK THE HORSE AND CART

Whilst increasing consumer spending is helping prop up western economies, it remains moderate and, more importantly for real estate, it is no secret that the purchase of goods is increasingly being funnelled through on-line/e-commerce channels. In the US, overall 2019 holiday retail sales, excluding autos, increased 3.4%, with e-commerce sales growing strongly at an estimated 19%, far outpacing in-store sales which edged up 1.2% according to Mastercard.

This shift has placed mounting pressure on traditional bricks and mortar sales channels, particularly in the specialty fashion retailer category and generic department stores. In response, many retailers are rationalising their store counts, focusing on the most productive sites. Furthermore, tenant credit continues to be a concern.

In Australia junior department store Harris Scarfe was placed in receivership on Christmas Eve whilst early in the new year, struggling US home goods retailer Pier 1 Imports announced it would close nearly half its 942 stores "in order to better align its business with the current operating environment". Consequently, effective rents in many retail properties are under pressure.

QUARTERLY RETAIL SALES GROWTH: E-COMMERCE SALES VS BRICKS AND MORTAR

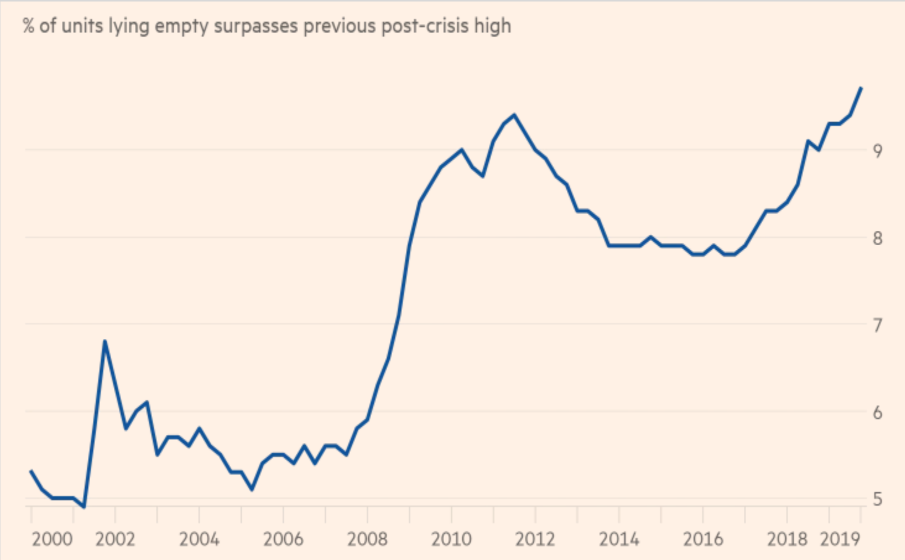


Source: S&P, US Census Bureau, J.P. Morgan Research

Bottom line, large swathes of the mall industry has lost pricing power, tenant credit is strained, and properties are going through a tenant mix transition reflecting changing consumer spending patterns. The investment return outcome of this capital consuming transition exercise is uncertain, and best described as weak relative to the history of the industry which had been accustomed to dealing with additive change.

Our recent US and UK mall tours highlighted the exceptionally challenging environment, elevated vacancies conspicuous in the all-important Thanksgiving to Christmas trading period.

US SHOPPING MALL VACANCY RATE SETS NEW RECORD



Source: REIS Moody’s Analytics

Indicative of the issues, US listed mall owner CBL Properties (CBL) announced that it would suspend dividends on ordinary and preference shares in order to maintain liquidity in the face of deteriorating leasing conditions in its lower-grade mall portfolio, and high financial leverage. With the suspension of its cumulative redeemable perpetual preferred securities, CBL faces a very difficult road ahead as a public company.

LOWY LEAVING THE BUILDING

During the quarter the Lowy family elected to sell its remaining exposures in Scentre Group (SCG) (Australian mall owner operated under the Westfield brand). We believe this provides further evidence that the smart money is leaving the mall. Mall transactions also point to a more tempered investment market for retail. REITs were directly involved in major mall transactions during the quarter including deals in both Australia and Europe:

- The long-awaited sale by Australian Prime Property Fund (APPF) Retail, a Lendlease managed Australian unlisted fund, of a 50% stake in Westfield Marion in South Australia, a property managed and jointly owned by ASX listed Scentre Group (SCG). The asset was sold to Singapore listed SPH REIT at a 9% discount to SCG’s December 2018 book value.
- Subsequently SCG purchased a 50% stake in Garden City, Booragoon, a dominant regional centre located in Perth Western Australia. SCG paid $570m for its 50% interest, securing the management and development rights as part of the bargain. The sale price implies a 6% discount to the December 2018 book value of seller, AMP Capital.
- Intu (INTU), along with joint venture partner, the Canada Pension Plan Investment Board (CPPIB), sold Puerto Venecia, a 200k sqm retail and leisure mall in Zaragoza, Spain. The sale price of €475m represents an 11% discount to Intu’s June 2019 book value.

Based on these transactions and recent independent valuations, mall prices are generally 10% and often up to 30% below peaks seen less than two years ago, the extent of the discount often relating to the degree of rental income deterioration and/or latent capital expenditure needs. This is problematic for long standing institutional real estate investors. Retail has, until recently, proven to be the most resilient and generally best performing mainstream segment of the commercial real estate market and is often the largest allocation within many portfolios.

There now appears to be a significant backlog of unsold secondary malls and shopping centres in Europe, UK, Australia and the US. The overhang is evidenced by news during the quarter in various markets:

- The suspension or delayed processing of redemptions of a range of retail and wholesale unlisted real estate funds including in the US and UK (e.g. M&G Property Fund suspended redemptions, only 3 years since the previous suspension of redemptions) and US (e.g. UBS Trumbull Property Fund).
- The recently publicised decision by Australia’s Queensland Investment Corporation (QIC) to list several US malls for sale that it only relatively recently purchased as part of a larger portfolio. The properties are to be sold due to insufficient investor demand in the fund.

We continue to have limited exposure to this segment, with our retail exposure focused primarily on concepts thus far less vulnerable to e-commerce such as food (supermarkets and restaurants) and retail services.

INDUSTRIAL GRADE STRENGTH

The real estate beneficiary of the shift from in-store to on-line continues to be the logistics sector. In the US, despite increasing supply, industrial vacancies are at historic lows and rents continue to increase at rates above other commercial property segments. Once considered the runt of the real estate litter, logistics property now commands premium pricing.

That’s not to say it is without risk. Logistics property is part of a provisioning chain undergoing enormous and rapid change and one which, at the moment, seems to be more focused on building scale and market dominance. Those that have scale are periodically rewriting the rules of the game. Amazon’s decision to in-source more of the delivery responsibility adds significant pressure on third party logistics operators. E-commerce delivery is a lower margin business than the traditional B2B segment due to more numerous smaller packages having to be delivered to disparate locations with more variable demand peaks and troughs. Transport and labour costs are higher while service delivery windows shrink. FedEx, in particular, has handled the transition poorly, belatedly ramping up its e-commerce parcel delivery capacity while Amazon squeezes pricing and adds its own well-resourced capability.

In the short term, the consumer appears to be the winner, price comparing from the comfort of their mobile devices with goods delivered to their door at an ever more rapid pace, same day delivery the objective of many. As well as the issue of wastage associated with impulse buying, we are beginning to question the value and utility of same day delivery for many items, and question whether the service delivery bar is being set appropriately as cities wrestle with ever mounting problems of delivery truck congestion and increasing traffic snarls.

WEWORK ON THE EMPEROR’S NEW CLOTHES

In recent years we have written extensively about the rapid rise of co-working office operators and the posterchild WeWork. Momentarily ignoring flaws in the business case, we recognised that WeWork prompted traditional landlords to improve their offer in terms of amenities and lease flexibility. During the quarter, the shortcomings of WeWork were brutally, but not unexpectantly, exposed with the aborted launch of an Initial Public Offering (IPO).

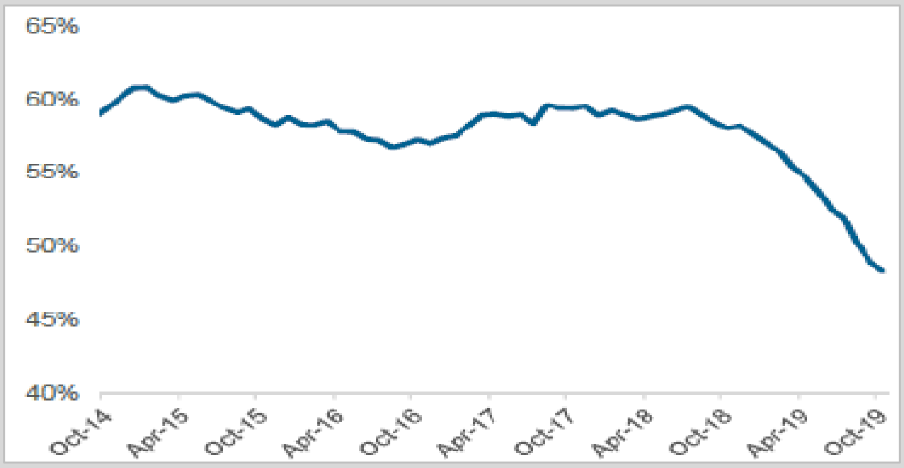
WeWork’s hope of using its scale to secure more favourable long-term lease deals with landlords and sub-lease at higher rents whilst generating additional services revenue appears to have come up short.

As the stock market painfully made clear, it is an office-subleasing business[1] not a technology platform which would deserve a special valuation in the face of ongoing operating losses. Rebuked by the stock market and with limited capital to maintain itself, WeWork is now in the process of cutting costs and rationalising its space commitments.

So, what does this mean for office markets and most importantly REITs? In short, we do not view the consequences for office REITs as overly concerning – few have any material direct exposure to WeWork as a tenant. For overall office markets the situation is more nuanced but unlikely to be dramatic.

Whilst it may have been partly responsible for increasing the size of the office tenant pie, WeWork and its cohort are effectively existing office user aggregators. Their attractiveness to customers comes through providing additional services as well as capital efficiency and lease flexibility not typically provided by landlords. As the following chart suggests, it appears to have had a meaningful impact on leasing patterns in terms of securing smaller tenants.

LESS THAN 5K SQ FT LEASES AS A % OF ALL LEASES BY NUMBER: SAN FRAN & NYC AREA



Source: Costar (as of Oct 2019), J.P. Morgan Research

Whilst co-working operators have absorbed a disproportionate amount of space in recent years, as we highlighted in our last quarterly report, the entire co-working cohort is not a disproportionate lessee on the overall office market landscape. Should WeWork fail completely in its own right (barring a significant contraction in office-using employment), many, if not most, of the underlying WeWork customers are unlikely to disappear. Rather, many will be redistributed to other coworking operators and/or take direct leases with the landlords who would likely retain the extensive office fit-outs. That said, it is unclear to what extent WeWork under-priced its facilities and how customer retention rates would respond to “rational” pricing.

OFFICE – TECH FACTORIES RULE

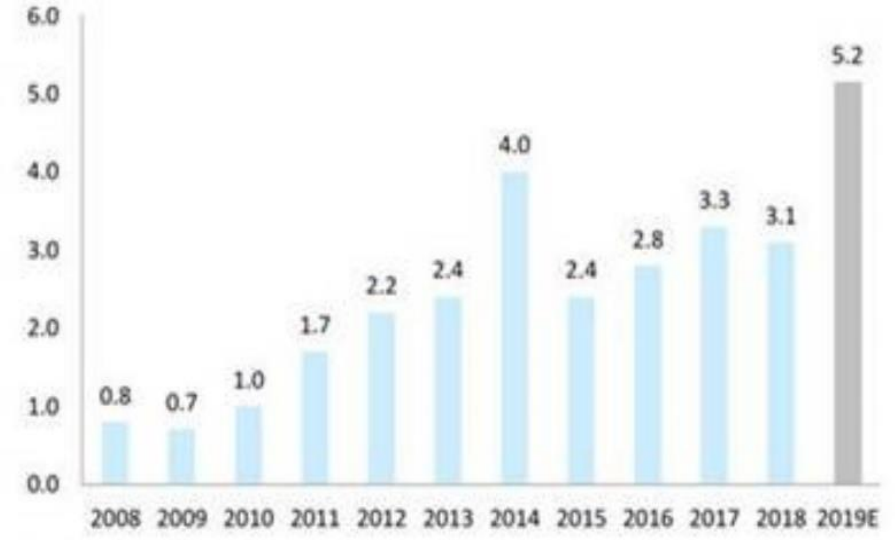
Meanwhile, white collar employment growth continues to play out in a handful of markets, mostly those recognised as centres of excellence for modern technology including San Francisco/Silicon Valley, Cambridge, Massachusetts, Seattle, London, and Tokyo.

[1] There are other long standing coworking operators, currently profitable, which provide valuation reference points/benchmarks such as IWG (owner of Regus) and Servcorp.

Hence, it was noteworthy that Amazon chose to take a substantial lease in New York's Manhattan office market. You may recall that Amazon abandoned plans to establish HQ2-b in Long Island 10 months ago following local opposition based substantially on tax incentives it had required as part of the deal. Unlike the case in Queens, and a major point of contention, it is understood there were no tax incentives on the Manhattan deal. While the recent lease (0.3m sq ft) is only a fraction of the abandoned 4m sq ft envisioned in the 10 year HQ2 proposal, it nevertheless gave something of a boost to its landlord, Manhattan focused REIT SL Green (not a portfolio holding) which has been labouring under modest demand from its traditional tenant base, the banking and legal fraternity, and new office supply.

Underscoring the changing dynamics, for the first time in a calendar year, in 2019 tech surpassed finance as the most active leasing segment in the New York office market. Unfortunately for landlords leasing power, this has much to do with weaker finance demand rather than simply higher tech demand.

HISTORICAL MANHATTAN TECH LEASING VOLUMES (IN MSF)



Source: BMO Capital Markets, CBRE

IPO'S – IQ INDICATORS

Partly as a consequence of plentiful liquidity and the public market's discount to private markets, IPOs have not been a prominent feature of REITs for some time.

In this context, the impending sale of the IQ Student accommodation business in the UK will be keenly watched. IQ is one of the largest providers of purpose-built student accommodation in the UK, second only to Unite PLC (UTG) in terms of room inventory. The current owners, Goldman Sachs and the Wellcome Trust, are believed to be weighing up either a private sale or an IPO listing on the London Stock Exchange. This could prove to be a timely signal as to the relative value of private vs public markets at this point in time.

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AUSTRALIAN BUSHFIRES

Toward the end of the quarter, the scale of bush fires in the eastern states of Australia caught the world's attention and were viewed as being symptomatic of global warming. Loss of property and life was clearly devastating for those directly affected and the impact on wildlife seems incalculable. (Resolution Capital has donated to New South Wales Wildlife Information, Rescue and Education Service Inc (WIRES), a wildlife rescue organisation). The local A-REIT market has limited direct exposure to the affected areas.

The short-term impact on the economy will be obviously negative, but not expected to be material. This ignores the latent impacts on health associated with high smoke pollution that has shrouded a number of cities.

It will be interesting to see if the community's palpable shock at the scale of the fires is enough to alter business and consumer behaviour and whether the government is encouraged to proactively plan for the increasing frequency of weather related events and the impact on the health and safety of the community.

Property companies which are on the front foot in reducing their environmental impact and making their portfolios more resilient should be best positioned. We expect sooner or later more stringent greenhouse gas reduction targets will become mandatory, either because tenants, municipality, state or federal governments demand it.

DISCLAIMER

Nedgroup Investments Funds PLC (the Fund) is authorised and regulated in Ireland by the Central Bank of Ireland. The Fund is authorised as a UCITS pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (S.I. No. 352 of 2011) as amended from time-to-time.

Nedgroup Investment (IOM) Limited (reg no 57917C), the Investment Manager and Distributor of the Fund, is licensed by the Isle of Man Financial Services Authority.

The Fund and certain of its sub-funds are recognised in accordance with Section 264 of the Financial Services and Markets Act 2000.

Nedgroup Investment Advisors (UK) Limited (reg no 2627187) is authorised and regulated by the Financial Conduct Authority.

UK investors should read the Appendix for UK investors in conjunction with the Fund's Prospectus which are available from the Manager www.nedgroupinvestments.com

The Fund has been recognised under paragraph 1 of Schedule 4 to the Collective Investment Schemes Act 2008 of the Isle of Man. Isle of Man investors are not protected by statutory compensation arrangements in respect of the Fund.

The State of the origin of the Fund is Ireland. In Switzerland, the Representative is ACOLIN Fund Services AG, Leutschenbachstrasse 50, CH-8050 Zürich, whilst the Paying agent is Banque Heritage SA, route de Chêne 61, 1211 Geneva 6, Switzerland. The prospectus, the Key Investor Information Documents, the fund regulation or the articles of association as well as the annual and semi-annual reports may be obtained free of charge from the representative. In respect of the units distributed in or from Switzerland, the place of performance and jurisdiction is at the registered office of the representative. Past performance is no indication of current or future performance. The performance data do not take account of the commissions and costs incurred on the issue and redemption of units.

The Prospectus of the Fund, the Supplement of its Sub-Funds and the KIIDS are available from the Investment Manager and the Distributor or from its website www.nedgroupinvestments.com

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Changes in exchange rates may have an adverse effect on the value price or income of the product.

Funds are generally medium to long-term investments. The value of your investment may go down as well as up. International investments may be subject to currency fluctuations due to exchange rate movements. Past performance is not necessarily a guide to future performance. Nedgroup Investments does not guarantee the performance of your investment and even if forecasts about the expected future performance are included you will carry the investment and market risk, which includes the possibility of losing capital and not getting back the value of the original investment.